<u>INTERAGENCY COMMITTEE ON AUTOMATIC DATA PROCESSING</u>

(IAC/ADP)

10:00 A,M. TUESDAY, MARCH 11, 1980
ROOM 1304, OFFICE OF PERSONNEL MANAGEMENT
1900 "E" STREET, N.W., WASHINGTON DC

<u>A G E N D A</u>

1. ADMINISTRATIVE REPORT   COLONEL JOHN GIOIA
                                         CHAIRMAN, IAC/ADP

2. IAC CHARTER REVISION   MR DAVE ALBRIGHT, EXECUTIVE
                                         BOARD, IAC/ADP

3. DISCUSSION ON OMB   MR JIM TOZZI, ASSISTANT
    REORGANIZATION AND   DIRECTOR, OFFICE OF REGULATORY
    HR 6410   & INFORMATION POLICY, OMB

. . . .

    THE OFFICE OF MANAGEMENT AND BUDGET HAS RECENTLY
REORGANIZED. IT APPEARS THAT MORE EMPHASIS WILL BE PLACED
ON MANAGEMENT IN GENERAL, WITH PARTICULAR ATTENTION TO
REGULATORY CONTROL, REPORT GENERATION, INFORMATION POLICY
EMPHASIZING ADP, AND TELECOMMUNICATIONS.

    IN ADDITION, THE HOUSE GOVERNMENT OPERATIONS COMMITTEE
IS SPONSORING A BILL (HR 6410), WHICH WOULD ESTABLISH AN OFFICE
OF FEDERAL INFORMATION POLICY (FIP) WITHIN OMB TO ADMINISTER
THE BILL.

    THESE ACTIONS WILL HAVE SIGNIFICANT IMPACT ON THE WAY IN
WHICH ADP WILL BE MANAGED BY FEDERAL AGENCIES.

    WE ARE VERY FORTUNATE TO HAVE MR JIM TOZZI, ASSISTANT
DIRECTOR, OFFICE OF REGULATORY & INFORMATION POLICY, OMB,
ADDRESS IAC ON 11 MARCH 1980 ON THESE TWO SUBJECTS.

Interagency Committee on Automatic Data Processing (IAC/ADP)

Summary of Meeting
March 11, 1980

TO: PRINCIPAL, ALTERNATE AND ASSOCIATE MEMBERS

Agenda and Attendees - The agenda and list of attendees are included as
Enclosures 1 and 2.
Opening   - Col. Gioia, Chairman, opened the meeting and made the following
announcements:

   Federal ADP Directory - Inputs for the directory were due by the end of
February. For those agencies who have not responded, it will be assumed there
are no changes to be made in the directory.

   IAC Awards - Members were urged to give thought to nominations for awards
for outstanding accomplishments in the ADP community. Awards will be presented
at the IAC annual luncheon in June. An awards committee chairman will be
appointed soon.

   Seminar for Congress - Following up on Bob Chartrand's suggestion that
IAC might sponsor an ADP seminar for Congress, Col. Gioia has met with Izzy
Feldman (HUD) and Claggett Jones (Census) who have volunteered to put together
a plan toward achieving this seminar. They will be meeting with the Executive
Board soon in order to present an outline of their plan. If the plan appears
feasible, the seminar will be held before summer.

   H. R. 6410 - The Executive Board of IAC responded to OMB on H. R. 6410.
Copies of the response is included as Enclosure 3.

Ted Crouch of GSA's National Capital Region, made the following announcements:
1) Flyers on the Federal Conversion Center are available as handouts; 2) Hand-
outs are available regarding ten openings for positions up to Grade 12 in GSA;
and 3) By March 17 a requirements-type contract in the scientific area should
be available for agency use.

FADPUG Conference - Al Iagnemmo, Chairman of the ADP Security and Auditing
Special Interest Group (FADPUG) told of a two-day conference at NBS on
April 7-8, 1980, on Security of Federal Automated Information Systems. The
objective of the conference is to help attendees share experiences as they
relate to the implementation of OMB Circular A-71. They are anticipating from
400 to 700 attendees. Registration forms were available at the meeting.

National Research Council Conference - E. R. Lannon, of the National Research
Council (NRC) advised the group of a symposium being sponsored by NRC on
Direct Broadcast Satellite Communications on April 8, 1980, at the National
Academy of Sciences Auditorium. The program will run from about 9:00 AM to
5:00 PM.

IAC Charter - David Albright (HUD) presented two proposals to amend the IAC charter. One is to provide for sponsorship of the Federal Automatic Data Processing Users Group (FADPUT) and the other is to permit the Executive Board to designate Special Interest Groups. (These proposals were also pre-sented at the February meeting of IAC and subsequently were mailed to IAC Principals.) Twenty-three voting members unanimously voted to accept the two proposals to amend the IAC charter.

Mr. Jim Tozzi, Assistant Director, Office of Regulatory and Information Policy, Office of Management and Budget (OMB), briefed the group on the reorganization of OMB and on H. R. 6410, a bill which would establish an Office of Information Policy within OMB.

Q. What is the possibility of a bill this session?

A. I would say there is a high probability you would get a bill this session. There are small groups that know the information policy aspect both in and outside of Washington.

Q. You commented that you would be issuing regulations. How will that affect what GSA does?

A. The authority vested in OMB by the bill is pretty broad. I am of the opinion that we are not going to throw out all the existing regulations. I think we will be looking for conflicts or big voids where action needs to be taken. We will first look to the central agencies (e.g., GSA, Commerce, etc.) to see if there is anyone who has jurisdiction. I do not see us issuing a large number of regulations at first until we check with the agencies.

Q. Which came first--the reorganization of OMB or the bill?

A. I cannot answer that explicitly. While the bill was being developed and the reorganization was being conceived, I was heading the Environmental Branch on the budget side at OMB. One day late in December I was invited to work in this area.

Mr. McNicholas (OMB) added that he had been involved a little longer than Mr. Tozzi and that it would be difficult to say which was the primary cause and which was the .effect.

Q. Could you give us a little insight as to what has happened to the PRP project on ADP and what we can expect to come out of that?

A. The PRP project, as you know, has been completed and the recommendations have been before OMB for some time. While many of the recommendations have been implemented, some will not be acted upon. A few others I think will probably come to a head when we begin to implement H.R. 6410 because the main thrust of H.R. 6410 is to centralize policymaking and form a stronger executive branch management role. I know of no further action on that report.

- 2 -

Q. OMB has taken and combined regulatory policy, information policy, reports management, privacy, and the whole related activity, and combined them in one organizational element within the Office of Management and Budget. Do you see a cascading of OMB's management decision into the agencies?

A. In part, yes. But first of all, I do not see OMB mandating such cascading. Considering the complexity of the individual agencies, one could organize all the boxes together and end up creating a worse problem than one had previously. I do think the agencies will have problems in one or two directions. They will either tend to put the boxes together or they will make process changes in the agencies. In some agencies, the programmatic impact or relationship between regulations and information policy are very unconnected. Some agencies have no rule-making authority. A number of agencies issue a large number of regula- tions and I think the regulatory and the reports management aspects are going to come together either through a process change or an organizational change on their part, but not on our part. In the same areas. I think those agencies whose ADP activities have a strong telecommunications components will probably adopt a structural change or a process change but not mandated by OMB.

Q. You said you were going to study international questions--yet you talked about a desk officer or an organizational structure--are you going to have another staff to do those big questions?

A. The divisions in the Office of Regulatory and Information Policy have two roles. First, each division, like the Information Policy Division, has a number of agencies under it in which the desk officers have line examining responsibilities containing all three components--regulatory, reports, and ADP-telecommunications. In addition to that, each of the three divisions has a staff responsibility. In this role they are the main generators of Federal policy in one of the three areas--information policy, regulatory policy, or reports management. The Information Policy Division does have that other role. How many individuals will be assigned to the line desk officer role versus the staff policy function will have to be worked out. But there definitely will be some in each role.

Q. Could you expand on your comments about fewer auditors?

A. I said an _option_ to have more auditors. As background, in the early environmental legislation in the seventies, there was a big issue of whether the Federal Government should have a huge enforcement strike force to enforce every environmental statute violated. It was determined that one could never control that many violations so as a result there is a police force external to the Federal Government that does the policing. In terms of regulations, we have several ways to look at the function of auditing the standards and guide- lines. One most certainly is to have a direct audit function and staff in OMB but I do not see this in the works. Our total personnel level is looked at very closely by everyone. We have talked to Congress on this point. As an alternative when we issue a circular as a regulation, an agrieved party, out- side the Federal Government in the ADP area, could request an audit. Another option is that under the bill we have the authority to delegate certain func- tions to the agencies. I am not certain how we are going to do it. We also have the Inspector Generals that we might tap under the same bill. The bill just says that OMB shall oversee and implement a system--it does not say how OMB will necessarily do it.

- 3 -

Q. There is some concern in some of the agencies that desk officers, in other than John McNicholas' division, do not have that much of a background in ADP. The functions of ADP will have to be transferred over the next few months from people who were previously in Wally Haase's organization. I wonder if you see any problems with that and how you plan to train these people to handle that kind of a relationship?

A. You are correct that the people outside of John's area, with one or two exceptions, are not schooled in the ADP function. First of all, the agencies which will be reviewed directly by the Information Policy Division account for 60% of the Federal computer budget. They were put in there purposely because those agencies that are part of that division have large ADP budgets but have very few regulatory actions and a very limited amount of reports management. The big workload is in ADP so 60% of last year's budget remains under that division. The question is where did the other 40% go. The other 40% is spread among the other two divisions. Out of those other two divisions, the huge bucks are in two or three agencies—HEW, Treasury and DOE. In terms of naming an individual who reports to the agency head, we commented on that previously and we are completely aware of some of the problems.

Q. Will OMB be getting a staff increase?

A. In last year's appropriation, I have a 30% increase in staff. Of the $8 million, $3 million is for the Federal Information Locator System. (Mr. McNicholas added that the $8 million figure came from the Committee, not OMB.)

Q. The bill says that OMB and GSA will get together and develop a five year plan. What are the specifics of that five year plan? Will there be hardware requirements?

A. Initially, I do not think the five year plan will differ too much in subject matter from the one we now have. The question is in the long run when we receive all of your views whether the complexion of that plan could change and in what ways. You could hold constant what gets in the plan generically and change the justifications. For example, I am interested in some of the justifications for ADP and telecommunications obligations in terms of what support these obligations will give to regulatory areas or reports management. That generally is not now in the support document of justifications for hardware. In some agencies that is a big problem because we could approve regulations and supporting reports clearances but when all of the resulting data comes into the agency the ADP managers will have no hardware to process it. In order to protect the ADP manager from that situation we could keep the basic contents of the plan constant but ask the agency to what extent these ADP requirements for hardware are being developed in coordination with plans for regulatory initiatives and new reporting requirements.

The other aspect on which I am not clear and which could change the programmatic justification is to what extent do we start putting in telecommunications and related activities.

- 4 -

Q. I think that even if you got the 120 people, I cannot understand how you could answer the question you mentioned came over your desk this morning regarding the potential worldwide military communications failure (WWMCCS). I do not see how an ADP group can get at these embedded systems,

A. I do not think an ADP group per se could and that is why we are reorganizing. I see the new office looking at a combination of regulatory and related programs and ADP as only a part of it.

Q. Have you come up with a definition for "information policy" that you are happy with?

A. No. It is not so much that I am not happy with it. The ones I have seen thus far have been so general that you could have the government looking at information policy and nothing else. Or they are so narrow that they obviously exclude some present-day concerns.

Q. It seems to me that the direction we are going in the information policy area is broad in terms of the components of it and is long-term in terms of looking into the future. I approve of that--but I also know that you have not too many people and that you have your operational activities to do first. I was wondering if you have had a chance to think about how you might implement it and how the rest of us might be involved?

A. I am very concerned on that issue and so is everyone on my staff. I think the people in the information policy business have to educate some of the top devision-makers. I do not think there is any way that OMB is going to make these policies and send them out for your review. A lot of this has to come from you. You will have to say, "Here are some areas that I think need to be fixed." With the exception of a very select number of big policy areas, I think that OMB is going to be the keeper of the process and the agencies will work with OMB. I have already met with three or four agencies and asked them for their list of top concerns.

Q. You have already said that you go through the budget process as a way to get things done. In the ADP area we go through a DPA (Delegation of Procurement Authority) process. You imply that you are possibly going to get in the regulatory and reports management as well. I guess all of those things are being demanded by Congress. Is somebody going to try to put these things together at one point and time rather than having agencies trying to get three different acquisition processes approved -- taking it home and finding that they have to go through another wicket somewhere down the line?

A. Right now agencies have three wickets -- getting money in the budget; moving through the procurement processes of GSA; and going to Congress for appropriations. First of all, there will be no expansion of these. The question if whether we modify the respective roles of the three players. I do not have any control over the last one (Congress). The question is "what is our role relevant to GSA and the Delegation of Procurement Authority?" I have had very considerable discussions with Dr. Freeman and Mr. Carr of GSA. My view is that this "wicket-control" procedure will continue but I cannot see OMB's usual role as becoming closely involved in specific procurements although Congress might want us to be. I do see that GSA and OMB will be working very closely on the procedures and guidelines used.

NEXT MEETING - April 8, 1980.

ADJOURNMENT - The meeting adjourned at 11:30 AM.

APPROVED BY _____   ___4/8/80_____
               Colonel John Gioia, USAF   Date
               Chairman